



*Office of the United States Attorney
District of Arizona*

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For Information Contact Public Affairs
WYN HORNBuckle
Telephone: (602) 514-7625
Cell: (602) 525-2681

EIGHT SENTENCED IN FEDERAL HOUSING FRAUD

TUCSON – Eight individuals charged with federal housing fraud have been sentenced to five years probation plus restitution after pleading guilty to misdemeanor criminal violations in connection with false statements made to the U.S. Department of Housing and Urban Development (HUD).

According to criminal complaints filed in the District of Arizona, the defendants, all former Section 8 housing assistance recipients, made false statements on rental assistance applications to the Tucson Community Services Department (TCSD). As the public housing authority which administers the needs-based Section 8 rental assistance program for HUD, TCSD requires participants to disclose all sources of income and prohibits landlords from renting to relatives. Nine of the defendants failed to report income and two hid their relationship as siblings. The defendants consequently received rental assistance to which they were not entitled and have been removed from the program.

According to court documents, eight of the defendants entered guilty pleas and each was sentenced to probation and restitution. Charges against three additional defendants are pending. Losses in connection with the crimes total \$103,621, which has been ordered repaid to HUD.

“The waiting list for Section 8 rental subsidies in the City of Tucson is long,” said HUD Inspector General Kenneth M. Donohue. “The HUD Office of Inspector General's effort to remove ineligible people from this program helps make room for truly deserving families and is something that we should all support.”

These cases were investigated by special agents from the HUD Office of Inspector General (OIG) and the Federal Bureau of Investigation. The cases were prosecuted by Assistant U.S. Attorney Eric Markovich of the U.S. Attorney's Office for the District of Arizona, Tucson.

The sentenced defendants are as follows:

*Estella Quihuis, charged with one count of conspiracy to make false statements and one count of HUD fraud, pleaded guilty to one count of HUD fraud, sentenced February 7 to five years probation and restitution

*Vincent Quihuis, charged with one count of conspiracy to make false statements and one count of HUD fraud, pleaded guilty to one count of HUD fraud, sentenced February 7 to five years probation and restitution

*Orlando Quihuis, charged with one count of conspiracy to make false statements and one count of HUD fraud, pleaded guilty to one count of HUD fraud, sentenced February 7 to five years probation and restitution

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*Joseph Quihuis, charged with one count of conspiracy to make false statements and one count of HUD fraud, pleaded guilty to one count of HUD fraud, sentenced February 7 to five years probation and restitution

*Nelcy Harold, charged with one count of false statements and one count of HUD fraud, pleaded guilty to one count of HUD fraud, sentenced on February 12 to five years probation and restitution

*Daisy Harvey, charged with one count of conspiracy to make false statements and one count of HUD fraud, pleaded guilty to one count of HUD fraud, sentenced February 26 to five years probation and restitution

*Patricia Tellez, charged with one count of conspiracy to make false statements and one count of HUD fraud, pleaded guilty to one count of HUD fraud, sentenced February 22 to five years probation and restitution

*Sandra Garcia, charged with one count of conspiracy to make false statements and one count of HUD fraud, pleaded guilty to one count of HUD fraud, sentenced February 22 to five years probation and restitution

CASE NUMBER: CR-07-0261; CR07-0264; CR 07-0349; CR 07-0257

RELEASE NUMBER: 2007-076(Quihuis, et al HUD fraud)

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